



State of Utah

Department of
Environmental Quality

Dianne R. Nielson, Ph.D.
Executive Director

DIVISION OF DRINKING WATER
Kevin W. Brown, P.E.
Director

Drinking Water Board

Dale Pierson, *Chair*
Anne Erickson, *Vice-Chair*
Myron Bateman
Jay Franson
Laurie McNeill
Nancy Melich
Dianne R. Nielson, Ph.D.
Charlie Roberts
Petra Rust
Ron Thompson
Chris Webb
Kevin Brown
Executive Secretary

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

MINUTES OF THE FEBRUARY 27, 2004 DRINKING WATER BOARD
MEETING HELD IN ST. GEORGE, UTAH

Board Members Present

Dale Pierson, Chair
Anne Erickson, Vice Chair
Myron Bateman
Jay Franson
Laurie McNeill
Charlie Roberts
Petra Rust
Ron Thompson
Chris Webb

Board Members Excused

Nancy Melich
Dianne Nielson, Ph.D.

Staff

Kevin Brown
Michael Georgeson
Ken Bousfield
Ken Wilde
Rich Peterson
Bill Birkes
Linda Matulich

Guests

Russ Donoghue, Rural Water
RaDawn Payne, Monroe City
Perry Payne, Monroe City
Rodney Wanlass, Monroe City
David Magleby, Monroe City
Darin Robinson, Jones & DeMille
Christee Camp, West Erda
Marv Wilson, Sunrise Engineering
Galen Allred, Kanarraville
Doug Nielsen, Sunrise Engineering
Jeffrey Appel, Ray, Quincy & Nebeker
Neil Forster, West Millard Water
Tim Jones, Jones & DeMille
Wayne Thomas, DEQ
Marc Edminster, Lewis Young
John Wrigley, Sunrise Engineering
John Chartier, Sunrise Engineering
Tom Austin, Sunrise Engineering
Ken Leetham, Saratoga Springs
Justin Jones, Gilson Engineering
Larry Gilson, Gilson Engineering
Richard Allen, Saratoga Springs
Curtis Ludvigson, Rural Water
Clyde Watkins, Rural Water
Keith Hanson, Salt Lake County SA #3
Lone Camp, West Erda
Dan Camp, West Erda
Michael Carpenter, Kanarraville
Val Kofoed, Sunrise Engineering
Randy Williams, Mayor, Kanarraville
Cobin Camp, West Erda
Robert Worley, Sunrise Engineering

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in St. George, Utah with Chairman Pierson presiding. The meeting was called to order at 1:30 p.m.

ITEM 2 – ROLL CALL

Chairman Pierson asked Kevin Brown to call roll of the Board members. The roll call showed there were 9 members present at the time.

ITEM 3 – INTRODUCTIONS

Chairman Pierson welcomed the guests and asked them to introduce themselves.

Chairman Pierson mentioned Lorin Jones passed away on Saturday. He was a Board member of the Rural Water Association and a State Senator. He played a heavy leadership roll on the Association's Board, Finance Committee and the Legislative Committee. Chairman Pierson asked for a moment of silence in remembrance of Lorin Jones.

Chairman Pierson thanked Ron Thompson for the very informative tour for the Board.

ITEM 4 – APPROVAL OF MINUTES – JANUARY 9, 2004

Chairman Pierson stated a motion to approve the January 9, 2004 minutes are in order.

Myron Bateman moved the Board approve the January 9, 2004 minutes.

Laurie McNeill seconded.

**CARRIED
(Unanimous)**

ITEM 5 – SRF/CONSERVATION COMMITTEE REPORT

1) Status Report

Michael Georgeson reported the Board has available \$1,878,000 in the State SRF account. This does not include all of the repayments that were due January 1, 2004. Staff hadn't received a statement from State Finance when the status report was prepared.

Staff did receive a partial statement for the Federal SRF account. Mike mentioned there is \$10,440,000 in the Federal SRF account, which includes almost \$4,000,000 in second round money. The \$4,000,000 is considerably free of federal red tape.

Mike mentioned staff closed Wellsville's loan last Monday. Wellsville's loan was for \$600,000, and they only needed \$500,000. Garden City will be coming to the April Board meeting requesting an approval for a change in scope on their project. Garden City will be requesting assistance in drilling a well and building a tank instead of building a water treatment plant. The Board will receive more details relative to their request at the April Board meeting. Trenton and Beaver Dam Village have been scheduled to close soon. Billy Bethers should be closing the end of March. Timber Lakes will be closing the end of May.

2) State SRF Applications

a) Angell Springs' Deauthorization

Mike Georgeson mentioned correspondence with Angell Springs, over the past 2 years, has been placed in the packet. Angell Springs is not ready to move forward on their project. The SRF Conservation Committee is recommending the Board deauthorize Angell Springs' loan in the amount of \$20,000 without prejudice. When Angell Springs is ready to do their project, they can come back to the Board.

Ron Thompson moved the Board deauthorize Angell Springs \$20,000 loan.

Charlie Roberts seconded.

**CARRIED
(Unanimous)**

b) Lynndyl's Planning Grant

Rich Peterson reported at the December Board meeting that the Board authorized a planning grant of \$5,000 to Lynndyl. Lynndyl was planning on going to the CIB for the remaining part of the funding, which fell through. Lynndyl is returning to the Drinking Water Board requesting the remaining \$5,000. Staff is recommending the Board increase the Planning Grant to \$10,000, and that Lynndyl resolve the issues on their compliance report.

Lynndyl's representative addressed the Board.

Dale Pierson moved the Board increase the Planning Grant from \$5,000 to \$10,000, and that Lynndyl resolve the issues on their compliance report.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

c) Goshen's Planning Loan

Rich Peterson reported that Goshen is looking at doing a water study. The cost of the project will be \$5,000. They do not qualify for a hardship grant. This will be a planning loan for \$5,000 at 0% to be repaid over 5 years with the condition that they resolve the issues on their compliance report.

Goshen's representative addressed the Board.

Discussion followed.

Petra Rust moved the Board authorize Goshen's planning loan request for \$5,000 at 0% to be repaid over 5 years, and that Goshen resolve the issues in their compliance report.

Dale Pierson seconded.

**CARRIED
(Unanimous)**

d) Monroe's Loan

Rich Peterson handed out an updated cover sheet and evaluation. Monroe City has a source that is under the direct influence of surface water. Monroe City needs a treatment plant. Monroe City doesn't qualify for a grant. Since the packet was mailed out, staff received some new information from Monroe City, which is listed in the handout. Staff is recommending the Board authorize a loan of \$1,375,000 at 2.59% to be repaid over 25 years with the condition that they resolve the issues on their compliance report.

Perry Payne, Councilman for Monroe City, addressed the Board.

Discussion followed.

Charlie Roberts moved the Board authorize a loan of \$1,375,000 at 2.59% to be repaid over 25 years with the condition that Monroe City resolve the issues on their compliance report.

Laurie McNeill seconded.

**CARRIED
(Unanimous)**

e) West Erda's (Golden Gardens) Loan

Rich Peterson handed out an updated cover sheet. Staff talked with West Erda's engineer. It was decided to do an environmental study in order to get a better scope of work for their project. West Erda does not qualify for a grant. Staff is recommending the Board authorize a planning loan in the amount of \$15,000 at 0% to be repaid over 5 years with the condition that they resolve the issues on their compliance report.

West Erda's representative addressed the Board.

Discussion followed.

Ron Thompson moved the Board authorize a planning grant to study some of the systems in their area to see if the communities can be drawn together.

Myron Bateman seconded.

Discussion on motion.

Chris Webb moved for a substitute motion that the Board authorizes a loan for \$15,000 at 0% to be repaid over 5 years with the condition that if an income survey shows they qualify for a grant, then the loan would automatically be changed to a grant, without further action of the Board.

Ron Thompson seconded.

Ron Thompson accepted the substitute motion.

Discussion on substitute motion.

Dale Pierson amended the substitute motion to also include as a condition of funding that West Erda resolve the issues on their compliance report, specifically including the administrative and monitoring issues.

Discussion on amended motion.

Chris Webb accepted the amended motion to be included with his substitute motion.

Ron Thompson reseconded.

**CARRIED
(Unanimous)**

f) Kannarraville's Loan

Rich Peterson reported Kanarraville is planning a project in the amount of \$653,000 for drilling a new well and replacing an old storage tank. Kanarraville does qualify for a grant. The SRF Conservation Committee is recommending a loan for \$403,000 at 2.68% to be repaid over 20 years and a grant of \$200,000 (67% loan 33% grant) with the condition that they resolve the issues on their compliance report.

Kanarraville representatives addressed the Board.

Discussion followed.

Chris Webb moved the Board authorize a loan of up to \$403,000 at 2.68% to be paid over 20 years and a grant of \$200,000 based on the conditions that: 1) Kanarraville resolve the issues on their compliance report and 2) the Board allow Kanarraville to reduce the loan portion down to whatever they choose to equal a 50/50 match. Kanarraville will have to take at least a \$200,000 grant and a \$200,000 loan, or a \$150,000 grant and a \$150,000 loan, so the ratio is at least a 50/50 match. The town will have the option to process and determine how much they need to spend.

Discussion on motion.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

g) Saratoga Springs Report

Mike Georgeson reported there was a lengthy discussion about Saratoga Springs at the last Board meeting. The Board asked for some reports, which staff has received. The reports are in the packet. There is a letter from Jeffrey Appel, representing Lake Mountain, that is the plaintiff in a lawsuit with Saratoga Springs. There is a letter from Richard Allen, the attorney for Saratoga Springs. There is a memorandum from Fred Nelson, from the Attorney Generals Office, to Kevin giving his assessment of the issues to the Division and a response to the questions and concerns of the Board that were raised at the last Board meeting. Staff received a copy of the water asset Purchase Agreement, which is in the packet. Neither Mr. Nelson nor his staff is prepared at this time to make a recommendation to the Board.

Staff did not have all of the information available when the SRF Conservation Committee had their teleconference. The information in the packet is for the Board to review. Staff will be working with the various parties involved over the next couple of weeks. Hopefully staff will be able to make a recommendation to the SRF Conservation Committee.

Anne Erickson mentioned that since the last Board meeting, the SRF Conservation Committee has held two separate meetings to try to resolve some of the questions and issues that have been presented on Saratoga Springs.

Mike Georgeson mentioned the Chairman or the Executive Secretary could call a special meeting of the Board to address the Saratoga Springs issue prior to the April 9, 2004 Board meeting.

Discussion followed.

Chris Webb moved the Board authorize staff to call a special Board meeting, or a telephone conference call, and report back to the Board on a committal of funds for Saratoga Springs before the April 9, 2004 Board meeting.

Dale Pierson committed to having a special Board meeting held before the April 9, 2004 Board meeting.

Charlie Roberts seconded.

**CARRIED
(Unanimous)**

3) Federal SRF Applications

a) Priority Point List Revisions

Ken Wilde reported there are 5 projects being added to the Project Priority List and 9 projects being deleted from the Project Priority List, which is listed in the packet.

Discussion followed.

Ron Thompson moved the Board approve the updated Project Priority List.

Dale Pierson seconded.

**CARRIED
(Unanimous)**

**ITEM 6 – ALTA AND SALT LAKE COUNTY SERVICE AREA # 3 – ANTIMONY
EXEMPTION EXTENSION**

Ken Bousfield reported that Alta and Salt Lake County Service Area # 3 are both eligible for one more two-year extension beyond the extension under consideration today.

Ken reported that a letter and a public notice was sent to each system for distribution to the residences of the two water systems and a copy of each is in the packet. In addition, as stated in the notice there is also an opportunity to present comments to the Board today.

Dale Pierson asked the audience if anyone would like to make any comments on the Antimony exemption.

No comments were made.

Discussion followed.

Jay Franson moved the Board grant an extension to Alta and Salt Lake County Area # 3.

Myron Bateman seconded.

Discussion on motion.

Chris Webb amended the motion of granting the extension to also include that the Board finds there are compelling reasons to grant the extension, including: cost and a difficulty of treatment.

Ron Thompson accepted the amendment.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

ITEM 7 – NON-SUBSTANTIVE CHANGE TO RULE R309-605

Kevin Brown reported changes to Division of Water Quality's Rule R317-2 require the Division of Drinking Water to modify language in R309-605-9 (Drinking Water Source Protection (for Surface Waters)). As a result of the Division of Water Quality doing this, it will impact a portion of the Source Protection Rule. Kevin went over the changes. Kate Johnson recommends also deleting an explanatory sentence that doesn't belong in the rule.

Ron Thompson moved the Board authorize staff to submit the non-substantive changes to R309-605 to the Division of Administrative Rules as soon as the changes are made with Rule R317-2 and are finalized.

Charlie Roberts seconded.

**CARRIED
(Unanimous)**

ITEM 8 – CHANGE TO RULE R309-204 TO R309-525 AND CHANGES TO R309-110

Bill Birkes mentioned a couple of errors were found in the proposed changes after the proposals were submitted to the Board. Rule 110 covers the definitions in certain drinking water items in terms. Staff proposes to introduce the term called "Desired and Design Discharge Rate" found on page 6 and 7. Unfortunately, the third line down on page 7 makes reference to R309-204. In the new definition, staff is referring back to R309-204, which is intended to change in R309-515. Bill advised the Board that R309-515 is a reference. There is some information in R309-204 that comes from the Administrative Rules for Water Well Drillers, with a citation dated of January 19, 1995. The Division of Water Rights has since changed its rule, with an adopted date of January 1, 2001. Staff recommends using the revised rule dated January 1, 2001, and also change the reference number from R655-4-7.2 to R655-4-9. Bill reviewed the errors and changes made with the Board.

Anne Erickson asked if the word "only" should be struck out.

Discussion followed.

Chris Webb moved the Board authorize staff to file the attached Rule as discussed by the Board with the suggested changes with the Division of Administrative Rules to be published in the Utah Bulletin.

Ann Erickson seconded.

CARRIED
(Unanimous)

ITEM 9 – CHANGES ON RULE R309-700 AND R309-705

Mike Georgeson reported there are some major changes in the two rules. Staff has tried to make the rules more uniform in reading and consistency, as well as make changes to conform to the practices staff and the Board have adopted over the past several years.

Mike reviewed some of the major changes. If the Board authorizes staff to proceed with rulemaking, staff will put the rules in the State Bulletin on Monday. The comment period will run for 30 days. If no comments are received, staff will come back to the Board for setting an effective date for the rules.

Discussion followed.

Dale Pierson mentioned after reading the section on public support, he realizes the importance of public support. It seems that some better wording could be used like: “the project applicant may be asked to demonstrate public support for the project,” added to the rule.

Petra mentioned the possibility of changing part of a sentence in the first line of the rule to read as: “to demonstrate the public notification of the project”.

Discussion followed.

Charlie Roberts was excused.

Dale mentioned after reading R309-700, shouldn’t we have some wording in the rule about having a water conservation plan in place.

Mike said staff would put a reference in the rule to the effect that: “the water system must have adopted a water management conservation plan consistent with the Division of Water Resources.”

Ron Thompson moved the Board authorize staff to initiate the rulemaking process for Rule 309-700 and Rule 309-705 with the changes suggested by the Board.

Chris Webb seconded.

CARRIED
(Unanimous)

ITEM 10 – CHAIRMAN’S REPORT

a) Legislative Report

Dale Pierson reported there are several bills that he and Kevin have been monitoring. Dale just talked about the Water Conservation Bill, HB 71, sponsored by Representative Buffmire. House Bill 104 passed both houses earlier and is going to the Governor for signature. House Bill 130, don’t know the status yet. House Bill 181 is moving along. Senate Bill 222 has been tabled. House Bill 291 has been stopped and is being held in committee. House Bill 247 has been tabled. The Senate killed House Bill 247. The 1/16% sales tax bill is still being held firm. The Rural Water Association is opposing House Bill 231. House Bill 231 has been changed a lot.

Myron Bateman mentioned he is at the capitol at least once a week during the legislature, and offered to e-mail Kevin and keep him abreast of any water bill issues.

Discussion followed.

b) Rural Water Association of Utah – Associate Member of the Year Award

Dale Pierson mentioned the Division of Drinking Water received an Associate Member of the Year Award from the Rural Water Association of Utah at their Annual Conference this year.

The Division of Drinking Water has been an associate member of the Rural Water Association since its inception. Gayle Smith, the previous Director, has been working for the Division of Water Quality. Gayle Smith is retiring on February 27, 2004. Gayle Smith was a founding member of the Rural Water Association of Utah. Gayle’s name is on the corporation papers. One of the two scholarships that the Rural Water Association sets up has been named in honor of Gayle Smith. The second scholarship has been named in honor of Linda Russell. Linda is a long-term staff member of the Rural Water Association. Linda recently retired.

Mt. Pleasant City won the “Best Tasting Water of the Year Award” at the Rural Water Association’s annual membership meeting.

ITEM 11 – DIRECTORS REPORT

a) Legislative Update – Attached

Kevin Brown mentioned the legislative update has been discussed.

b) Compliance Assistance Program (CAP) Quarterly List – Attached

Kevin Brown mentioned the CAP quarterly list is in the packet. Kevin will have Ken rank the systems.

c) Division Planning Meeting – April 5 – 6, 2004

Kevin Brown mentioned the Division would be having their annual planning retreat on April 5 – 6, 2004 at 168 North 1950 West, Room 201, Salt Lake City, Utah. The meeting will be from 1:00 p.m. to 5:00 p.m. on April 5, 2004, and from 8:00 a.m. to 5:00 p.m. on April 6, 2004. The Board members are invited to attend.

ITEM 12 – NEWS ARTICLES

The news articles are in the packet.

ITEM 13 – LETTERS

The letters are in the packet.

ITEM 14 – UPDATE

The update is in the packet.

ITEM 15 – NEXT BOARD MEETING

The next Board meeting will be held on April 9, 2004 in Layton, Utah. There will be a tour of the Weber Basin Water Conservancy District's plant.

ITEM 16 – OTHER

No other business.

ITEM 17 – ADJOURN

Chairman Pierson stated a motion to adjourn the Board meeting would be in order.

Ron Thompson moved to adjourn the Board meeting at 3:40 p.m.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary